APPENDIX XXII.

[Vide answer to question No. 345-A asked by Mr. A. B. Shetty at the meeting of the Legislative Council held on the 30th October 1931, page 97 supra.]

G.O. No. 255, Finance, dated 10th April 1931.

Speaking in the Legislative Council on the 17th March 1931, the hon. the Finance Member made the following statement:—

"What the Government propose to do is, first of all, following the procedure of the Retrenchment Committee of 1922–23, to appoint a special officer with a suitable clerical staff to examine the expenditure of the various departments of Government and to analyse and see where and why expenditure has grown and to formulate suggestions for economy. When the proposals of this officer are worked out—the House will realize that they will entail a great deal of labour—the results will be laid before the Finance Committee, which is a Committee of this House having a considerable non-official majority. The Finance Committee will then be in a position to ask for further information, if necessary, or to suggest other lines of investigation, and in any case to formulate their view of the matter. They will then submit their report to the Government and the Government will afterwards very carefully consider the case of each department's expenditure, item by item, and pass orders on the proposals or suggestions."

2. In fulfilment of these assurances and in conformity with what they understand to be the wishes of the Legislative Council, the Government now invite the Standing Committee on Finance to undertake the proposed enquiry, in addition to the functions which they already fulfil under the order of their appointment. Mr. G. R. F. Tottenham, C.I.E., I.C.S., has already been appointed as the Special Officer in G.O. Ms. No. 294, Public (Special), dated the 24th March 1931.

3. The procedure contemplated by the Government is as follows:—

The Special Officer, who will be known as the Retrenchment Secretary, will take as his starting point the Report of the Retrenchment Committee of 1922–23, which, in their own words, attempted to arrive at "a normal standard of expenditure which would be sufficiently covered by the normal revenue and would leave an opening balance year after year." He will examine the extent to which the several recommendations of that Committee have been accepted and maintained in force; how far expenditure which was then reduced has been restored to its previous level; the extent to which and the reasons for which expenditure has increased (or diminished) since that time. Taking the budgets of the various departments in turn, he will prepare a series of memoranda explaining the position in each and making such preliminary suggestions as he may think fit. These memoranda will be laid before the Finance Committee, as they are ready.

It will then be open to the Committee, in the words of the hon. the Finance Member, to ask for further information, if necessary, or to suggest other lines of investigation, and, in any case, to formulate their view of the matter.

Finally the Committee will submit their reports to the Government.

4. Apart from the detailed investigation of departmental expenditure referred to above, the Retrenchment Secretary will similarly examine, and lay before the Finance Committee memoranda on wider questions affecting all departments such as the desirability of maintaining the system of incremental scales of pay, the possibility of introducing some form of sliding scale to follow the rise and fall of prices, and any other matters of a general nature that may arise in the course of the enquiry.

5. To enable him to perform his duties thoroughly, the Retrenchment Secretary is authorized to call for any information that he may require from any department of Government and the Government trust that all departments will realize that retrenchment may involve the reduction of expenditure which, in ordinary circumstances, would be desirable and will co-operate in attaining the common object in view.

6. The Retrenchment Secretary will be placed formally under the orders of the hon. the Finance Member, as Chairman of the Finance Committee, and all communications to him should be addressed care of the Finance Department, Fort Saint George.

(By order of the Governor in Council)

H. M. Hood,
Secretary to Government.

To all Members of the Finance Committee.
,, all Departments of the Secretariat (all sections) for communication to heads of departments under them.
,, the Accountant-General.
,, the Superintendent, Government Press.
,, the Curator, Madras Record Office.
,, the Examiner of Local Fund Accounts.
,, the Superintendent of Stationery.
,, the Presidency Port Officer.
Press.

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TABLE A.

STATEMENT SHOWING THE FINANCIAL EFFECT OF THE RECOMMENDATIONS OF THE RETRENCHMENT COMMITTEE AND OF THE ACTION TAKEN THEREON BY GOVERNMENT SO FAR.

I.—Anticipated ultimate savings in Expenditure.

Departments. (1)	As recommended by the Retrenchment Committee. (2)	So far accepted and orders issued by Government. (3)	Remarks. (4)
	RS.	RS.	
1. Registration—(Includes the abolition of six District Registrars' offices and all temporary clerks and Sub-Registrars.)	1,52,300	73,200	The abolition of six District Registrars' offices, has, it is understood, been accepted by Government; but they are still awaiting the proposals of the Inspector-General for the territorial reorganizations.
2. Jails and Convict Settlements—(Includes the abolition of the Alipuram Jail and the conversion of the Koraput Jail into a sub-jail.)	2,36,000	11,000	It is understood that the closure of the Alipuram Jail has been accepted by Government in principle, but the question of the release of Mappilla prisoners is under consideration.
3. Labour—(Includes the temporary amalgamation of the post of Labour Commissioner with that of a Member of the Board of Revenue and the restriction of labour activities.)	1,88,300	1,26,500	The amalgamation of the post of Labour Commissioner with that of a Member of the Board of Revenue has, it is understood, been accepted in principle. A reference is pending with the Board of Revenue.
4. Medical—(Includes the gradual abolition of the Medical School, Tanjore, and a large number of reductions in establishment, e.g., conversion of 4 Civil Surgeons into Assistant Surgeons' posts, 13 Assistant Surgeons into Sub-Assistant Surgeons, abolition of teaching and other posts, 13 Assistant Surgeons, 23 Sub-Assistant Surgeons and other nursing and non-medical staff.)	6,72,800	3,81,300	
Public Health—			
(A) Abolition of 3 Assistant Directors of Public Health, 2 Deputy Sanitary Engineers and the Director of Town-Planning in addition to some reduction of subordinate establishments and restriction of other activities.	3,16,400	57,100	

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TABLE A—*cont.*

Statement showing the financial effect of the recommendations of the Retrenchment Committee and of the action taken thereon by Government so far—*cont.*

I.—Anticipated ultimate savings in Expenditure—cont.

Departments.	As recommended by the Retrenchment Committee.	So far accepted and orders issued by Government.	Remarks.
(1)	(2)	(3)	(4)
	RS.	RS.	
5 Public Health—*cont.*			
(B) The withdrawal of the grant for Anti-Drink Propaganda.	1,90,000	1,90,000	
(C) Reduction in future scale of grants for water-supply and drainage schemes.	6,25,000	..	
6. Travelling Allowances including Fixed Travelling Allowance. Includes reductions in the rate of— (*a*) Railway fare from $1\frac{3}{5}$ to $1\frac{1}{2}$ and class of accommodation for the lower grades ; (*b*) Daily allowance and mileage for all grades except the last grade ; and (*c*) journeys on transfer (both in the number of tickets allowed and maundage of luggage admissible).	7,00,000	7,00,000	This is an approximate figure.
7. Allowances (other than Travelling Allowance and Fixed Travelling Allowance) including Special Pay— Includes a revision of all Presidency Allowances and the reduction or abolition of a number of special pays.	5,66,400	..	Pending consideration of these detailed proposals, Government have accepted a temporary scale of cuts in compensatory allowances calculated to secure about Rs. 2·20 lakhs in a full year. For savings secured during the current year, see Statement B.
8. Public Works Department—			
(*a*) Reduction in future scale of provision for all major works (Buildings, Roads and Irrigation).	16,00,000	..	
(*b*) Reduction in future scale of grants to local bodies and others for roads and bridges.	8,00,000	..	
Total I—Anticipated ultimate Savings in Expenditure.	60,47,200	15,39,100	

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TABLE A—*cont.*

Statement showing the financial effect of the recommendations of the Retrenchment Committee and of the action taken thereon by Government so far—*cont.*

II. Anticipated increase in Revenue.

Departments.	As recommended by the Retrenchment Committee.	So far accepted and orders issued by Government.	Remarks.
(1)	(2)	(3)	(4)
	RS.	RS.	
1. Registration—(Levy of Registration fees on Co-operative Societies.)	1,30,000	1,30,000	
2. Medical—(Enhancement of fees, curtailment of free studentships and concessional rates of fees.)	1,00,000	2,000	The figures are approximate. The main question of enhancement of fees is under consideration.
Total II—Anticipated ultimate increase in Revenue.	2,30,000	1,32,000	
Grand Total—I and II ..	62,77,200	16,71,100	

TABLE B.

Statement showing savings so far effected during the current year (1931–32) under the several heads of account.

[NOTE.—Where special remarks are not entered the savings are mainly due to percentage cuts ordered by Government under Travelling allowances, Contingencies, Supplies and Services, etc.]

Head of account.	Budget, 1931–32.	Savings effected.	Main items of savings.
	RS. IN LAKHS.	RS. IN LAKHS.	
5. Land Revenue	29·08	1·58	Abolition of a survey party.
6. Excise	40·51	·79	
7. Stamps	6·59	·87	
8 & 8 A. Forest and Forest Capital Outlay charged to Revenue.	44·60	3·60	Restriction of expenditure forest works.
9. Registration	30·36	·96	
15. XIII and 16. Irrigation works charged to Revenue.	93·74	6·39	Postponement of expenditure on new works and restriction of expenditure on works in progress.
22. General Administration ..	282·94	3·70	
24. Administration of Justice ..	100·68	·64	
25. Jails and Convict Settlements.	29·27	2·15	
26. Police	176·40	4·88	
27. Ports and pilotage	0·29	0·01	
30 & XXX A. Scientific departments and Hydro-Electric Surveys—Working expenses.	3·03	0·30	
31. Education	264·77	13·24	Reduced scale of expenditure on stipends and scholarships and grants-in-aid.

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TABLE B—*cont.*

Statement showing savings so far effected during the current year (1931–32) under the several heads of account—*cont.*

Head of account.	Budget, 1931–32.	Savings effected.	Main items of savings.
	RS. IN LAKHS.	RS. IN LAKHS.	
32. Medical	94·75	3·30	
33. Public Health	31·12	2·66	Includes Rs. 1·38 lakhs on account of the withdrawal of the grant for anti-drink propaganda.
34. Agriculture—			
Agriculture	20·60	1·41	
Veterinary	12·12	0·48	
Co-operative credit ..	12·33	0·42	
35. Industries—			
Industries	13·17	1·03	
Fisheries	7·98	0·64	
37. Miscellaneous departments—			
Labour	20·35	2·42	
Other departments—(Factories, Electrical Inspector, Steam Boilers, Government Examinations.)	6·87	0·25	
41. Civil Works—Original Works—			
(Buildings, Communications, Miscellaneous and Repairs).	100·40	17·27	Postponement of new works and restriction of expenditure on works in progress.
Establishment and Tools and Plant.	49·89	2·73	Disbandonment of Tank Restoration Scheme division and sub-divisions and reduction in establishment due to curtailment in works programme.
Grants-in-aid—Roads and Bridges (including village communications).	67·70	4·08	
Water-supply and Drainage.	9·73	4·74	
43. Famine	1·00	·99	
45. & 45A. Pensions (including Commuted Value of Pensions).	79·83	2·33	Restriction of expenditure of commutation of pensions and compassionate gratuities.
46. Stationery and Printing ..	23·57	1·71	
47. Miscellaneous	4·21	·11	
Refunds of Revenue ..	10·96	1·01	
Total ..	1,668·84	86·53	
Add Savings due to arbitrary percentage cuts ordered under all kinds of compensatory allowances under all heads of account.	..	1·25	
Total — Expenditure charged to Revenue.	1,668·84	87·78	